

FOR ENTIRE TERRITORY SERVED
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. 117

Blue Grass Energy Cooperative Corporation

CLASSIFICATION OF SERVICE

RATES SCHEDULE ES – ENVIRONMENTAL SURCHARGE

AVAILABILITY

In all of the Company's service territory.

APPLICABILITY

This rate schedule shall apply to all electric rate schedules and special contracts.

RATE

CES(m) = ES(m) (T)

where CES(m) = Current Month Environmental Surcharge Factor
ES(m) = Current Month Environmental Surcharge Calculation

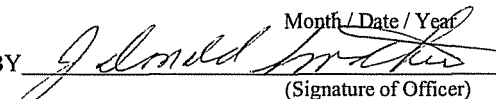
(T)

ES(m) = [((WESF) x (Average of 12-months ended revenues from sales to Member System,
excluding environmental surcharge)) + (Over)/Under Recovery] divided by
[Average of 12-months ending Retail Revenue (excluding environmental surcharge)] =
_____ %

where WESF = Wholesale Environmental Surcharge Factor for Current Expense Month

DATE OF ISSUE January 3, 2010
Month / Date / Year

DATE EFFECTIVE January 28, 2010

ISSUED BY 
Month / Date / Year
(Signature of Officer)

TITLE Vice President and CFO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2009-00317 DATED January 28, 2010

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(Over)/Under Recovery =

(over)/under recovery as defined by amount billed by EKPC to Member System minus the amount billed by Member System to retail customer. Over or under recoveries result from the amortization of amounts determined by the Commission during six-month and two-year reviews and the two-month "true-up" adjustment.

(T)

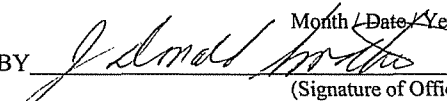
(T)

BILLING

The current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

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